

Message Text

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ORIGIN ARA-10

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FM SECSTATE WASHDC

TO AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L STATE 050918

E.O. 11652:GDS

TAGS: MASS, HO

SUBJECT: LETTER ON T-33 SALE

REF: TEGUCIGALPA 0831

1. REFTTEL RAISES A NUMBER OF PERPLEXING QUESTIONS WHICH DEPT. WOULD LIKE TO HAVE CLEARED UP BEFORE EMBASSY REPLIES TO CRONIN. HOPEFULLY EMBASSY WILL BE ABLE TO OBTAIN CLARIFYING INFORMATION FROM GOH.

2. CONFUSING FACTS, AS WE KNOW THEM, ARE SET OUT BELOW:

A. THE MUNITIONS CONTROL LICENSE FOR THE T-33 AIRCRAFT DELIVERED TO HONDURAS IN JUNE 1974 WAS ISSUED TO AVIATION BUSINESS SERVICES (ABS) OF HOLLYWOOD, FLORIDA, PAUL AUBIN, PRESIDENT. ABS MADE APPLICATION FOR THIS LICENSE IN DECEMBER 1973 FOLLOWING DEPT'S DENIAL OF APPLICATION TO TRANSFER F-86 AIRCRAFT TO HONDURAS. HOWEVER, REFTTEL SUGGESTS THAT SOUTHEAST FIRST NATIONAL BANK OF MIAMI SPRINGS, FLORIDA HAS ASSUMED FINANCIAL INTEREST OF
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AEROTRADE, NOT ABS, IN DELIVERED T-33.

B. ACCORDING TO REFTTEL, IN GOH VIEW, AEROTRADE PACKAGE DEAL ON F-86'S ALSO PROVIDES FOR SUPPLY OF ONE T-33 AIRCRAFT AND SPARE PARTS FOR SAME. HOWEVER, AEROTRADE

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APPLICATION FOR LICENSE TO TRANSFER F-86'S TO HONDURAS WAS NOT SUBMITTED UNTIL AUGUST 1974, MORE THAN FOUR WEEKS AFTER ABS'S LICENSED T-33 ARRIVED IN HONDURAS. FURTHER, AEROTRADE DESCRIPTION OF EXCHANGE DEAL TO DEPARTMENT DESCRIBES T-33 TRAINING, BUT OMITTS REFERENCE TO SUPPLY OF T-33 AIRCRAFT.

C. AEROTRADE APPLICATION FOR TRANSFER OF F-86'S FROM YUGOSLAVIA TO HONDURAS, WHICH WAS SUBMITTED IN AUGUST, 1974, APPARENTLY IS BASED ON CONTRACTUAL AGREEMENT OF GOH TO PURCHASE SUCH AIRCRAFT FROM AEROTRADE. HOWEVER, DEPT. ALSO HAS PENDING RECENTLY-FILED NEW APPLICATION OF ABS TO TRANSFER AIRCRAFT FROM YUGOSLAVIA TO HONDURAS.

D. CHINCHILLA'S STATEMENT THAT PACKAGE DEAL WITH AEROTRADE HAS PRICE TAG OF TWO MILLION DOLLARS IS AT VARIANCE WITH INFORMATION PROVIDED ON AEROTRADE F-86 MUNITIONS CONTROL LICENSE APPLICATION AND ABS T-33 LICENSE APPLICATION. AS WE PIECE IT TOGETHER, TOTAL PACKAGE AMOUNTS TO 1,290,000 DOLLARS (INCLUDING 65,000 DOLLARS FOR T-33 AND 25,000 DOLLARS FOR T-33 TRAINING).

3. QUESTIONS THAT ARISE FROM FOREGOING ARE: IS T-33 SOLD BY AEROTRADE TO GOH COVERED BY MUNITION CONTROL LICENSE ISSUED TO ABS, OR ARE THERE TWO T-33'S INVOLVED; ONE PROVIDED BY ABS AND COVERED BY LICENSE, AND THE OTHER PROVIDED BY AEROTRADE? IF THERE IS ONLY ONE T-33, THIS WOULD SUGGEST SOME DEGREE OF COLLABORATION BETWEEN AEROTRADE AND ABS. ON THE OTHER HAND, THE FACT THAT BOTH COMPANIES HAVE ON FILE SIMILAR LICENSE APPLICATIONS SUGGESTS THAT THE TWO MIGHT BE IN COMPETITION, UNLESS ONE HAS SALES CONTRACT WITH GOY AND OTHER HAS PURCHASE AGREEMENT FROM GOH. IT IS ALSO BARELY POSSIBLE THAT THE TWO LICENSE APPLICATIONS ARE BASED ON TWO TOTALLY SEPARATE TRANSACTIONS, AND THAT WE ARE TALKING ABOUT 20 F-86 AIR-
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CRAFT RATHER THAN 10. CAN EMBASSY CLARIFY ANY OF ABOVE?

4. THAT CENTRAL BANK APPARENTLY DOES NOT INTEND TO RECOGNIZE IRREVOCABLE LETTER OF CREDIT SUGGESTS POSSIBILITY THAT GOH IS PREPARING TO REPUDIATE CONTRACT OR TO DECLARE IT NULL-AND-VOID IN CASE OF NON-DELIVERY OF F-86'S. CAN EMBASSY CONFIRM? INGERSOLL

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